

SECRET

SAPC-21807  
Copy 3 of 5  
2 December 1957

Dear Sid,

Reference is made to your memo dated 18 November 1957 concerning increased costs of 14 Channel and 3 Channel Read Out Equipment.

The Contractor's CMCC Doc. No. 151X5.754 dated 4 October 1957 was, as you stated, a "second round" of increases on both development and production. The portion of the increase referred to by the Contractor as funded included Project funds only.

We are in complete agreement on your restatement of the understanding of how FOG funds are to be obligated under the subject contract.

We have recently revised the format of amendments to this contract so that you will be able to determine your items of cost more easily.

Your costs are indicated under Customer No. 3. The only area of possible misunderstanding is in the computation of your 50% R&D participation in System IV. Your share is somewhat less than 50% since some items are attributed 100% to us (i.e. System 3, etc).

Enclosed is our computation of your share of the increased costs under Contractor's CMCC Doc. No. 151X5.754.

If I can be of any further assistance, let me know.

Sincerely,

Dan

Enclosure:  
Computation of Increased Costs

Distribution:

25X1A

O&Cy2 - [REDACTED] FOG

3 - A-101 (Section F, Folder 8) w/ey 1 of SAPC-21700

4 - FOG Folder

5 - Project Chrono

DMK:lmw (2/12/57)

SECRET